

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 SP-02 MMO-01 PER-01 /032 W

----- 122556

P 310850Z JAN 76

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 5161

C O N F I D E N T I A L BUDAPEST 0315

E.O. 11652: GDS

TAGS: OGEN, HU

SUBJECT: ANNUAL ASSESSMENT - HUNGARY (ADDENDUM)

REF: BUDAPEST 0280, STATE 021419, BUDAPEST 0297

### 1. HUNGARY AND YUGOSLAVIA:

HUNGARY'S VIEW OF THE SITUATION IN YUGOSLAVIA IS COLORED BY THE REQUIREMENTS OF MOSCOW'S POLICY TOWARDS BELGRADE. IN RECENT YEARS, FOLLOWING USSR'S EXAMPLE, HUNGARY HAS MADE A CONCERTED EFFORT TO ACHIEVE A GENERAL RAPPROCHEMENT WITH YUGOSLAVIA. BELGRADE AND BUDAPEST HAVE APPARENTLY AGREED ON AN IDEOLOGICAL ARMISTICE AND HAVE SOUGHT TO SKIRT CONTROVERSIAL ISSUES AND TO CONCENTRATE THEIR EFFORTS IN THOSE AREAS WHERE COOPERATION IS FEASIBLE. OFFICIAL COMMUNIQUE AND PUBLIC STATEMENTS STRESS THAT, DESPITE "EXISTING DIFFERENCES," THERE ARE NO MAJOR DISPUTES BETWEEN THE TWO COUNTRIES AND THAT BOTH HOLD SIMILAR TO IDENTICAL VIEWS ON ALL KEY INTERNATIONAL ISSUES. GOH EFFORTS TO IMPROVE RELATIONS WITH YUGOSLAVIA ARE SEEN BY LEADERS IN BUDAPEST AS INTEGRAL PART OF LONG-TERM SOVIET POLICY LOOKING TOWARDS EVENTUAL DISAPPEARANCE OF TITO FROM POLITICAL SCENE. HOWEVER, BUDAPEST ITSELF IS NOT WITHOUT ITS OWN MAGYAR STAKE IN PURSUING PRESENT HUNGARIAN POLICY TOWARDS GOY.

2. THERE ARE THREE KEY FACTORS WHICH INFLUENCE AND SHAPE RELATIONS BETWEEN BUDAPEST AND BELGRADE: (1) THE ROLE PLAYED BY HUNGARY IN THE TITO-STALIN DISPUTE (E.G. RAJK TRIAL) IN 1948-1949 AND THAT PLAYED BY YUGOSLAVIA (IMRE CONFIDENTIAL

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NAGY) IN 1956 WHEN KADAR CAME TO POWER; (2) POLITICO-

MILITARY, STRATEGIC, GEOGRAPHIC CONSIDERATIONS; (3) LARGE HUNGARIAN MINORITY IN YUGOSLAVIA (OVER 500,000). FACTORS (2) AND (3) HAVE BECOME MORE PROMINENT IN RECENT YEARS AS GOH HAS SOUGHT TO ACHIEVE FRIENDLY COOPERATION WITH YUGOSLAVIA. EXACERBATION OF HUNGARIAN-YUGOSLAV RELATIONS IN 1949 AND 1956 AND THEIR AFTERMATH WERE PRODUCTS OF RUSSIAN POLITICAL AND SECURITY REQUIREMENTS, A FACT WHICH JANOS KADAR OF ALL MEN IS UNLIKELY TO FORGET. STATE-TO-STATE RELATIONS HAVE SIGNIFICANTLY IMPROVED; BUT CAUTION REIGNS SUPREME ON BOTH SIDES IN PARTY-TO-PARTY CONTACTS.

3. IN 1949 AND IN 1956 WHEN MAJOR AND CRUCIAL FOREIGN POLICY DECISIONS TOUCHING ON IDEOLOGICAL AND SECURITY ISSUES HAD TO BE MADE, HUNGARIANS DEMONSTRATED THAT THEY WERE SERVANTS IN THEIR OWN HOUSE, NOT MASTERS. THE CPSU CALLED THE SIGNALS THEN; THEY CALL THEM NOW; AND ALL THE EVIDENCE AT OUR DISPOSAL INDICATES THEY INTEND TO CONTINUE TO DO SO IN THE FUTURE. BEHIND QUIET DIPLOMACY OF WARSAW PACT GOVERNMENTS AND THEIR MORE CONCILIATORY APPROACH TO TITO'S YUGOSLAVIA IS HOPE OF SOVIET COMMUNIST LEADERS THAT THESE TACTICS WILL PROVIDE A BETTER OPPORTUNITY TO EXERT INFLUENCE ON POST-TITO YUGOSLAVIA THAN OPEN POLITICAL-IDEOLOGICAL WARFARE DURING ERA OF DETENTE. IN VIEW OF HUNGARY'S OWN GEOGRAPHIC POSITION, SIZE OF ITS MINORITY IN YUGOSLAVIA, AND ITS INTERNAL ECONOMIC STRUCTURE, BUDAPEST MAY HAVE BEEN GIVEN A SPECIAL MISSION TO ESTABLISH BETTER RELATIONS WITH YUGOSLAVIAN GOVERNMENT TO COUNTER-BALANCE CLOSE GOVERNMENTAL TIES BETWEEN BELGRADE AND BUCHAREST.

4. THIS EMBASSY (ALL ELEMENTS) HAS NO EVIDENCE OF ANY KIND THAT BUDAPEST IS SUPPORTING CROATIAN SEPARATISM AS SUCH. (WE ARE NOT UNAWARE OF COURSE OF PRE-WWII HORTHY REGIME'S SUPPORT FOR CROATIAN USTASHIS) NEITHER OVERT NOR COVERT CHANNELS HAVE YIELDED A SINGLE SCRAP OF INFORMATION RE BUDAPEST SUPPORT FOR PRO-COMINFORM YUGOSLAV EMIGRES. ACCORDING TO YUGOSLAVIAN EMBASSY HERE, SOME OF THEIR COUNTRYMEN IN HUNGARY WERE ACTIVELY CONFIDENTIAL

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ENGAGED IN A PRO-COMINFORMIST PLOT UNCOVERED NOT TOO LONG AGO IN MONTENEGRO; BUT THEIR TALE IS DEVOID OF NAMES, DATES, PLACES AND OTHER SPECIFICS. AGAIN, ACCORDING YUGOSLAV OFFICIALS HERE, NAMELESS FELLOW NATIONAL COMINFORMISTS OCCUPY HIGH POSITIONS IN "SOME ORGANIZATIONS" IN SOUTHERN HUNGARY; EMPHASIS PLACED ON "SOME" LEADS THIS EMBASSY TO CONCLUDE THAT "THEY" ARE EMPLOYED BY INTELLIGENCE SERVICES OF HUNGARY OR USSR OR BOTH. FORMER YUGOSLAV

ARMY OFFICERS, ACCORDING SAME SOURCES, OCCUPY POSITIONS OF CONSIDERABLE RESPONSIBILITY WITH SOVIET FORCES STATIONED IN HUNGARY; AND WHILE WE DO NOT IGNORE THESE ACCOUNTS NOR NECESSARILY BELIEVE THEM FABRICATIONS, WE FROM OUR RESOURCES--THE ENTIRE EMBASSY--HAVE NO COLLATERAL INDICATIONS THAT WOULD TEND TO CONFIRM THEM. WE HAVE ALSO HEARD FROM TRAVELERS FROM THE BALKANS OVER PAST SEVERAL MONTHS THAT IN THEIR PUBLIC STATEMENTS AND/OR IN INFO LEAKED TO PRESS, YUGOSLAV LEADERS HAVE REFERRED--AGAIN WITHOUT SPECIFICS--TO COMINFORMIST ACTIVITY EMANATING FROM EMIGRE ORGANIZATIONS IN HUNGARY. WE SHOULD ADD THAT, IF HUNGARIANS ARE SUPPORTING YUGOSLAV COMINFORMISTS, WE DOUBT THAT SUCH SUPPORT IS LIMITED ONLY TO CROATIAN SEPARATISTS.

5. IN EMBASSY'S VIEW, IF 7.S. WISHES TO MAKE CLEAR ITS INTEREST IN BALKAN STABILITY, IT WOULD SERVE NO USEFUL PURPOSE TO APPROACH HUNGARIAN FOREIGN OFFICE OR OTHER HUNGARIAN AUTHORITIES. MAGYARS HAVE NO MORE THAN MARGINAL INFLUENCE; AND THEY VERY CERTAINLY HAVE NO POWER OF DECISION OVER MATTER OF POLICY TOWARDS YUGOSLAVIA. INSTEAD, U.S. SHOULD TAKE MATTER UP DIRECTLY WITH SOVIETS AT SENIOR LEVEL IN MOSCOW: IT IS RUSSIANS AND NOT THEIR HUNGARIAN OR OTHER WARSAW PACT ALLIES WHO CONTROL ALL THE STRINGS AND POSSESS ALL THE BARGAINING COUNTERS. BUDAPEST ON A TRANSCENDENTAL ISSUE LIKE THIS ONE TAKES ITS INSTRUCTIONS FROM MOSCOW. IT WILL INITIATE NO ACTION AND UNDERTAKE LITTLE, IF ANYTHING, IN MODIFYING OR SHADING HUNGARIAN POLICY TOWARDS YUGOSLAVIA WHICH WAS NOT SPECIFICALLY INSPIRED OR ORDERED BY MOSCOW.

6. ONE MORE THING--HUNGARY HAS A STAKE IN PEACE IN THE BALKANS AND IN THE STABILITY OF CENTRAL EUROPE: IT HAS SUFFERED DISASTERS IN BOTH WORLD WARS AND IS LESS THAN

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COMFORTABLE IN THE PRESENT EAST EUROPEAN POWER CONFIGURATION. LEFT TO THEIR OWN DEVICES, JANOS KADAR AND HIS FELLOW HUNGARIANS WOULD NOT SEEK TO BECOME INVOLVED IN YUGOSLAVIA, EVEN TO REACQUIRE LOST HUNGARIAN LANDS AND KINSMEN. HOWEVER, IF THINGS WERE TO GO FROM BAD TO WORSE AND MOSCOW WERE TO LAUNCH A SOVIET-ORDERED, SOVIET-LED INVASION OF YUGOSLAVIA FROM HUNGARIAN TERRITORY, NO HUNGARIAN LEADER OF ANY POLITICAL STRIPE COULD TURN DOWN A SOVIET OFFER TO SWEETEN THE POT BY DETACHING VOJVODINA, AND POSSIBLY MEDJUMURJE AND PREKOMURJE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BUDAPE00315  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760037-0605  
**From:** BUDAPEST  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976012/aaaaabgv.tel  
**Line Count:** 165  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 BUDAPEST 280, 76 STATE 21419, 76 BUDAPEST 297  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 APR 2004 by SmithRJ>; APPROVED <18 AUG 2004 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ANNUAL ASSESSMENT - HUNGARY (ADDENDUM)  
**TAGS:** OGEN, HU  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006